

STATE OF ILLINOIS



Department of Insurance

IN THE MATTER OF THE CANCELLATION OF
ALLSTATE FIRE AND CASUALTY INSURANCE COMPANY
POLICY NO: 912242174
ISSUED TO: Maria Pintauro & Kiril Kostov

HEARING NO. 10-HR-0518

ORDER

I, Michael T. McRaith, Director of Insurance for the State of Illinois, hereby certify that I have read the Findings of Fact, Conclusions and Recommendations of the Hearing officer, Helen Kim, heretofore appointed and designated pursuant to Section 402 of the Illinois Insurance Code (215 ILCS 5/402) to conduct a hearing into the above-captioned matter, and that I have carefully considered the Findings, Conclusions and Recommendations of the Hearing Officer.

I, Michael T. McRaith, Director of Insurance for the State of Illinois, being fully advised in the premises, do hereby adopt said Findings of Fact, Conclusions and Recommendations as my own, and based upon the same, enter the following Order under the authority granted me by the applicable sections of the Illinois Insurance Code, and do hereby ratify, approve and confirm the Findings of Fact, Conclusions and Recommendations made by the Hearing Officer attached hereto and made part hereof.

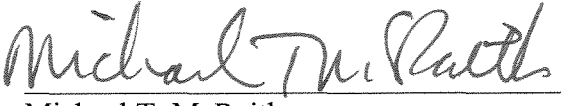
This Order is a Final Decision pursuant to the Illinois Administrative Procedure Act (5 ILCS 100/1 *et seq.*). Parties to the proceeding may petition the Director of Insurance for a Rehearing or to Reopen the Hearing pursuant to 50 Ill. Adm. Code 2402.280. Appeal of this Order is governed by the Illinois Administrative Review Law (735 ILCS 5/3-101 *et seq.*).

IT IS THEREFORE ORDERED that the cancellation of Allstate Fire & Casualty Insurance Company Policy No. 912242174 issued to Maria Pintauro and Kiril Kostov was in violation of applicable provisions of the Illinois Insurance Code and that Allstate Fire & Casualty Insurance Company shall reinstate the policy effective immediately.

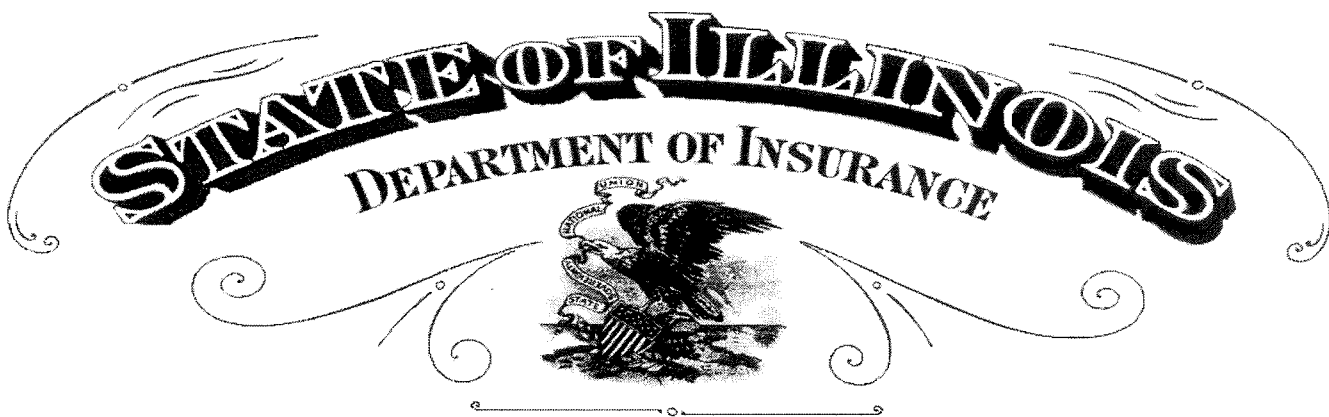
IT IS FURTHER ORDERED that the costs of this Hearing shall be waived.

DEPARTMENT OF INSURANCE
State of Illinois

DATE: 15 June 2010



Michael T. McRaith
Director



IN THE MATTER OF THE CANCELLATION OF
ALLSTATE FIRE AND CASUALTY INSURANCE COMPANY
POLICY NO: 912242174
ISSUED TO: Maria Pintauro & Kiril Kostov

HEARING NO. 10-HR-0518

To: Maria Pintauro & Kiril Kostov
563 St. Charles Rd.
Lombard, Illinois 60148

and

Allstate Fire & Casualty Insurance Co.
Attention: Jan Horner
1819 Electric Rd., SW
Roanoke, VA 24018-1618

FINDINGS OF FACT, CONCLUSIONS OF LAW
AND RECOMMENDATIONS OF
THE HEARING OFFICER

The above-captioned matter was called for a hearing in Chicago, Illinois at 11:30 a.m. on June 9, 2010 before Helen Kim, acting as Hearing Officer, pursuant to the designation and appointment of the Director of Insurance of the State of Illinois. The Complainant, Maria Pintauro and Kiril Kostov appeared and gave evidence. The Respondent did not appear. Having heard and considered all of the evidence and testimony offered at the aforesaid Hearing and having been otherwise fully advised in the premises the Hearing Officer submits the following Findings, Conclusions and Recommendations to the Director of Insurance:

FINDINGS OF FACTS

1. The Insured Maria Pintauro and Kiril Kostov are Illinois residents residing at 563 St. Charles Rd., Lombard, Illinois 60148 and the Respondent, Allstate Fire & Casualty Insurance Company is an insurer licensed to write property and casualty risks in this State.
2. Coverage under Policy Number 912242174 was issued by Respondent. On March 23, 2010 the Respondent mailed a Notice of Cancellation on the above policy number to the Insured's address.
3. The Notice of Cancellation (Hearing Officer Exhibit #3) was issued by Respondent more than thirty (30) days prior to the effective date of cancellation of May 3, 2010 and contained the following reason for the Respondent's decision to cancel the policy:

“Materially false or misleading information was knowingly provided in connection with your claim benefits under this policy.”
4. The Complainant submitted a request for a Hearing with the Department of Insurance on March 31, 2010. (Hearing Officer Exhibit #3)
5. On May 4, 2008 the Director of Insurance, Michael T. McRaith (Director), issued a Notice of Hearing in this matter setting hearing date of June 9, 2010 at the Department's Offices in Chicago, Illinois and appointed Helen Kim as Hearing Officer in this matter. (Hearing Officer Exhibits #1- #2)
6. The Department received the return receipts (“green card”) for the Notice of Hearing sent to Allstate Fire & Casualty Insurance Co. and Ms. Pintauro. (Hearing Officer Exhibit #2)
7. The Complainant, Maria Pintauro, testified in this matter as follows:
 - a) Allstate said they conducted a thorough report but they did not give her copies of the report. Allstate cancelled for material and false information but Allstate would not tell her what it was about;
 - b) Allstate sent her a letter regarding where her vehicle was stored (Complainant Exhibit #2);
 - c) She sent Allstate and the law firm a letter asking for any and all information related to the cancellation but they did not provide her with any (Complainant Exhibit #1);

- d) Allstate sent the Department of Insurance (Debbie Hammond) a letter on April 7, 2010 regarding the cancellation of her policy (Complainant Exhibit #3);
 - e) Allstate sent her a letter dated February 22, 2010 and also returned her Affidavit of Vehicle Fire (Complainant Exhibit #4). Everything she put in the affidavit is true and correct. She does not understand what Allstate is referring to when they claim there is misrepresentation;
 - f) In Allstate's letter to Debbie Hammond (Complainant Exhibit #5) Allstate said they had a special investigative unit but there are no reports to show what happened;
 - g) She has no documents about why [Allstate] cancelled the policy or what the misrepresentations or false information is. [Allstate] just keeps sending letters that are very vague. She does not feel that Allstate performed a thorough investigation. There are no reports or paperwork so she cannot comment on anything; and
 - h) Allstate stated that the vehicle was inoperable but it was operable because [Kiril Kostov] drove it.
8. Allstate Fire and Casualty Insurance Company failed to appear.

CONCLUSIONS

- 1. The Director of Insurance has jurisdiction of the subject matter and parties to the proceeding.
- 2. Section 143.19 of the Illinois Insurance Code (215 ILCS 5/143.19) provides:

“After a policy of automobile insurance as defined in Section 143.13(a) has been effective for 60 days, ... the insurer shall not exercise its option to cancel such policy except for one or more of the following reasons:

 - c. Any insured violated any of the terms and conditions of the policy; ...”
- 3. The Respondent did not appear and therefore no evidence or testimony was presented to substantiate their allegations that the Complainant knowingly provided materially false or misleading information in connection with claim benefits, or to refute the Complainant's testimony and evidence.

4. The cancellation of Allstate Fire & Casualty Insurance Company Policy No. 912242174 was contrary to Section 143.19 of the Illinois Insurance Code (215 ILCS 5/143.19) and is therefore invalid.

RECOMMENDATIONS

1. That the cancellation by Allstate Fire and Casualty Insurance Company Policy Number 912242174 was contrary to the applicable provisions of the Illinois Insurance Code and therefore invalid.
2. That the cost of this hearing be waived.

Respectfully submitted,

Date: June 9, 2010



Helen Kim
Hearing Officer